

lose market share, and when we lose market share, we lose income, and when we lose income, we are not able to invest, and when we cannot invest, we cannot create jobs.

Get with it. This bill gets with it. It modernizes our tax code. It says to our American companies, we realize they have got to compete in the world market, not just in the United States market, and oh, by the way, if they do produce products here in the United States and sell them overseas or even here in the United States, we are going to give them a tax cut.

One of my other colleagues on the Committee on Ways and Means said we need to target this tax relief to American manufactured goods. Well, guess what, this bill does that. The tax rate cut for manufacturers only applies to income derived from the sale of goods manufactured here in the United States.

So this Democratic motion to instruct basically is a bunch of hyperbolic language thrown out to scare people, to try to make it seem like they are the defenders of American jobs when just the opposite is true. This bill, crafted by Republicans, wants to create jobs here in the United States, preserve jobs here in the United States.

□ 1245

Mr. THOMAS. Mr. Speaker, I yield myself the balance of my time.

In history, Mr. Speaker, there are those who opposed change, modernization. They were called Luddites. Please vote "no" on the motion to instruct. Do not be a Rangelite.

Mr. LEVIN. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. BASS). The gentleman from Michigan has 6½ minutes remaining.

Mr. LEVIN. Mr. Speaker, I yield myself the balance of my time.

Well, my Republican friend from Louisiana talks about the 21st century market and the chairman talks about modernization. So far, under those mantras, what has happened is more poverty in America, stagnant income for families in America under this administration, and millions of fewer jobs, almost 3 million fewer jobs in manufacturing. And if you call modernization their Republican tax bills, or if this is the 21st century market, just reading from the Detroit News, a rather conservative newspaper, summing up material from the CBO, in 2004 the average tax cut for the middle-income family is \$1,090 and for the richest 1 percent it is \$78,460.

I am for a 21st century market, Mr. Speaker, but not for that kind of a market. We are for modernization, but not for that kind of modernization. We cannot go backwards. We need to move forward. And here is what the bill did that came through here and is reflected in the dilemma that we have.

We had a \$50 billion problem. The WTO ruled FSC inappropriate under WTO rules. What happened was, in-

stead of passing a bill that was a bipartisan bill that addressed the manufacturing sector as FSC did, we ended up with about a \$140 billion bill. Three times as large. And it is really larger than that because some of the provisions were to expire when they are unlikely to, and there was a delayed phase-in.

So, essentially, once again we are adding to a deficit because so much of this is not paid for. So we had a \$50 billion problem. We now have a bill three times as large, and it is going to increase the deficit.

Now, let me point out quickly some of the provisions in this motion to instruct, because we need to look at the whole document. It says that we should accede to the Senate amendment so there is a deduction rather than a corporate rate reduction. That is of importance to many manufacturing companies in this country. The Senate bill is preferable.

Also, we say that this tax amendment should relate to all the businesses, not simply limited as in the House bill. We also indicate that we should accede to the Senate approach so that the rate reduction really reflects the amount of business done in the United States and not overseas.

And then we go on to provide a remedy for corporations that move their businesses in form overseas, called inversions, and say that we should accept the provisions in the Senate amendment. And we also say that we should drop the provision in the House bill that provides for private collection of Federal tax liabilities, a horrendous idea that I do not think most Americans will accept.

Now, let me say just a few words about the issue of outsourcing, of moving businesses overseas. The House bill had in it a number of provisions that will stimulate movement of operations overseas. One of them is not in the Senate bill. These are complicated provisions, but they have a simple clear-cut impact. The provision, for example, relating to tax credit baskets, the House would move it from 9 to 2. Essentially, this is going to stimulate the investment of companies in tax havens instead of bringing back the monies to the United States. It cost \$8 billion. It is not in the Senate bill.

Then there are the so-called look-through provisions that are in both bills. Do not say that this will not stimulate movement of jobs overseas, because essentially, for a multinational, there will be encouragement instead of bringing the profits back here and investing them here to move those profits into a third country, often a tax haven country. That will stimulate the movement of jobs from here overseas.

When the Senate voted, they voted for this provision as part of a much larger bill that came to include a provision on overtime. So members of the Senate were faced with the dilemma of how we attack this problem of the

elimination of FSC. And we need to do that, but focused on manufacturing. Do we look at the problem of overtime? And because they did not control the proceedings in the Senate, they were faced with a dilemma.

So let us be clear. You mentioned furniture. Go to North Carolina. Go there. China has been taking furniture business away from the United States unfairly. Overseas movement is a problem. Outsourcing is a problem. Vote for this motion to instruct.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Massachusetts (Mr. NEAL).

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. LEVIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question are postponed.

The point of no quorum is considered withdrawn.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed without amendment a bill and a concurrent resolution of the House of the following title:

H.R. 4654. An act to reauthorize the Tropical Forest Conservation Act of 1998 through fiscal year 2007, and for other purposes.

H. Con. Res. 475. Concurrent resolution encouraging the International Olympic Committee to select New York City as the site of the 2012 Olympic Games.

The message also announced that the Senate has passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4011. An act to promote human rights and freedom in the Democratic People's Republic of Korea, and for other purposes.

The message also announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested:

S. 2742. An act to extend certain authority of the Supreme Court Police, modify the venue of prosecutions relating to the Supreme Court building and grounds, and authorize the acceptance of gifts to the United States Supreme Court.

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 1663) "An Act to replace certain Coastal Barrier Resources System maps."

The message also announced that the Secretary be directed to request the return of the papers to accompany (S. 2589) "An Act to clarify the status of certain retirement plans and the organizations which maintain the plans," in compliance with a request of the Senate for the return thereof.